

-----Original Message-----

From: Nicola Verzier [mailto:operations@ifchor.ch]  
Sent: Tuesday, July 17, 2007 9:40 AM  
To: diegog@riceco.com  
Subject: MV APOSTOLOS II - TRC CP DD 4/4/07.

Doc-No. 4089980 17/JUL/2007 18:39 h NV

Doc-No. 4089975

DIEGO - SUMIT / NICK

FOLL RECVD

QUOTE

MV APOSTOLOS II - TRC CP DD 4/4/07.  
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From: Express Sea Transport Corp, Piraeus  
To: The Rice Company USA, c/o brokers

Dear sirs,

We refer to this matter and to your apparent 'reluctant' acceptance of Owners proposal, described by you as "an increase in the daily hire rate to US\$28,500, effective immediately, with a minimum charter period up to 12 March 2008, and a maximum charter period up to 12 June 2008, with all other terms to be as per the charter dated 4 April 2007."

For the avoidance of any doubt as to what was proposed and agreed, we should state that your expression of what was encompassed by ESTC's proposal was, perhaps inadvertently, incomplete. ESTC's proposal was qualified as being "subject to a minor revision of the hire payment details to clarify charterers' payment obligations for the purpose of avoiding a recurrence of the issues which resulted in the withdrawal of the vessel under the 04/04/07 charter and the previous instances of late payment."

In this regard ESTC will require, by way of such suitable revision of the clause:

a) that hire is clearly payable at ESTC's bank in Piraeus. (ESTC are not prepared to countenance any repetition of the argument that you have recently advanced, namely that payment to a correspondent bank is to be treated as payment to owners bank)

b) that hire is to be received in the stated account on or before the due date (ESTC are not prepared to countenance funds regularly arriving in their account after the due date on which payment should have been made).

c) that the 3 day grace period is a concession for the resolution of extraordinary and unforeseen delays and not a 'buffer zone' in which hire payments can be generally made and that a failure to rectify such problems in the grace period will afford ESTC an unconditional option to withdraw the vessel from your service. (ESTC are not prepared to countenance regular late arrival of hire payment funds into their account and then listen to arguments from you that the right of withdrawal is ineffective because of a failure to give notices in a particular format, at a particular time or the like. This is wholly unacceptable to ESTC. It is your duty to make arrangements for the hire to be in ESTC's account on or before the due date. If for some particular reason, on some extraordinary occasion, the hire is not in owners account on the due date then in the absence of rectification of that error within the grace period ESTC require the option to declare the vessel withdrawn from charterer's service without more and certainly without you repeating the arguments that you have recently advanced asserting that the withdrawal was invalid by reason of a failure to follow certain guidelines.

d) that the obligation to pay hire is not conditional upon the prior receipt of an invoice. (ESTC are not prepared to countenance an argument, in the event that it might ever be made, that the payment of hire is somehow conditional upon the prior receipt of a hire-invoice from owners.)

e) for the further avoidance of doubt, the "effective immediately" in the emails refers to 11-Jul-2007 20:29hrs when the ESTC's offer was made. It is not ESTC's intention that "effective immediately" should be taken to refer to some non-specific date or time in the future when an agreement on a new charter may or may not be reached.

Accordingly, Cl.30 should be amended to read:

Clause 30

a) Hire payment

Hire and all monies due to the owners under this charterparty (hereafter 'hire') shall be paid at their bank in Piraeus and to their account, the details of which are as follows:

b) Bank/account details

Alpha Bank AE  
Piraeus Shipping Branch  
89 Akti Miaouli Street  
Piraeus

Tel: +30 210 429 0208

Fax: +30 210 429 0348

IBAN: GR36 0140 9600 9600 1500 6007 550

SWIFT: CRBAGRAA

A/C NO: 960-01-500600-7550

In favour of: Express Sea Transport

Reference: TRC - C/P 04.04.07

c) First hire

The first hire shall be paid within three banking days after the vessel's delivery.

d) Prompt payment of hire

Charterers are to ensure hire is received in owners' account on or before the due date. Exceptionally the charterers shall be allowed a total of two separate grace periods during the currency of this charterparty, each of three banking days, each for the purpose of rectifying any particular identifiable problem (being beyond the charterers' control) preventing the timely payment of separate hire payments. Such grace periods are to be triggered by invocation made by charterers to owners in writing. The invocation must set out the nature of the problem and the steps proposed for timely rectification and must be made not later than the day upon which the hire concerned was due. On each occasion hire is not so received and/or no timely rectification is made by charterers following a valid invocation of a grace period, the owners shall have an unfettered option to withdraw the vessel from the charterers service at such place and terminate the charterparty at such time as may be most expedient for owners. The exercise of any such option must be declared to charterers in writing within 48 hours of its accrual specifying the place and time or occasion of the vessel withdrawal/termination.

/// End of clause

Note: Clearly the above clause anticipates that Cl.31 will be deleted as redundant.

We look forward to your confirmation of the above amended clause, and the date/time from which increased hire is payable (11-Jul-2007 20:29hrs Greek time = 11-Jul-2007 17:29hrs GMT), on receipt of which ESTC will be content to make confirmation to your sub-charterers that the vessel is once again under charter to you.

In this regard, in order to give comfort to the vessel's registered owners, who are currently particularly conscious of an obligation to complete the bill of lading voyage, we shall be obliged if you will further give your confirmation to them (through us) that you will hereafter assume the obligation of meeting the costs, anticipated under the charterparty as being for your account, of completing the current voyage.

We will further be obliged for your confirmation that hire is to be paid (under the 04.04.07 charter party) upto to time notice of withdrawal was given, which was 03-Jul-2007 20:09hrs Greek time = 03-Jul-2007 17:09hrs Greek time).

Regards  
ESTC/Piraeus  
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UNQUOTE

BRGDS

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